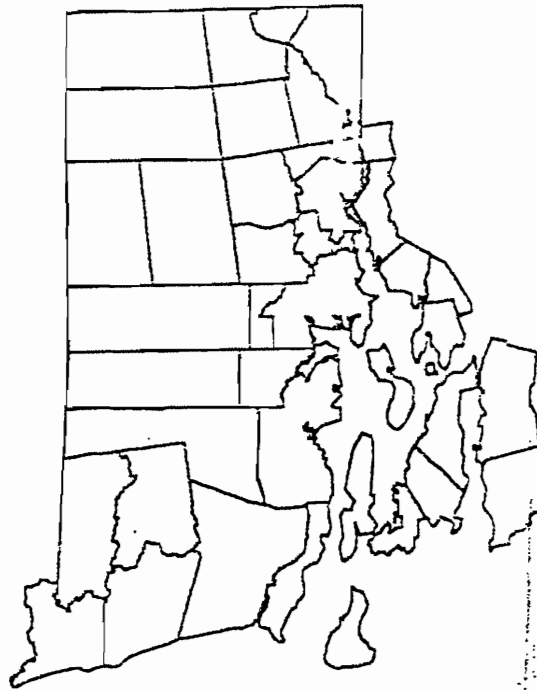


OVERCOMING BARRIERS TO GETTING A JOB

*A Fact Book on the Transition
from
Welfare to Economic Independence*



Prepared by the Education Committee
of the
Advisory Commission on Women
for
Members of the Rhode Island General Assembly
and
Other Policy Makers

December, 1991



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PERMANENT ADVISORY COMMISSION ON WOMEN

West Exchange Center
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Providence, RI 02903
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December, 1991

His Excellency Bruce G. Sundlun
Governor of Rhode Island
State House
Providence, RI 02903

Dear Governor Sundlun:

The Education Committee of the Advisory Commission on Women has prepared "Overcoming Barriers to Getting A Job" as a reference to be used when developing legislation which affects AFDC women, the working poor and their children. It is our hope that our legislators will study the problems facing this population, and understand the reasons these individuals find it so difficult to fight their way out of poverty and into the tax-paying workforce. We believe, with increased understanding, members of the General Assembly will **enact laws and pass legislation** which will begin to alleviate the very real barriers to employment faced by low-income individuals.

The Advisory Commission on Women feels that the stresses of poverty creates problems within the family unit and weakens the strength of our communities and the State.

The Commission believes that the State of Rhode Island has a commitment to working with welfare recipients who are striving to becoming self-sufficient.

It is our hope this booklet will stimulate and encourage action. We look forward to working with you in achieving these goals.

Sincerely,

Mary M. Deibler
Mary M. Deibler
Executive Director

OVERCOMING BARRIERS TO GETTING A JOB

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Acknowledgments:

Databasics, Inc. -- word processing services
Debra Bercuvitz, Equity in Career Options and Education (ECOE)
Library -- graphics materials
Karel Gertsacov -- graphics assistance

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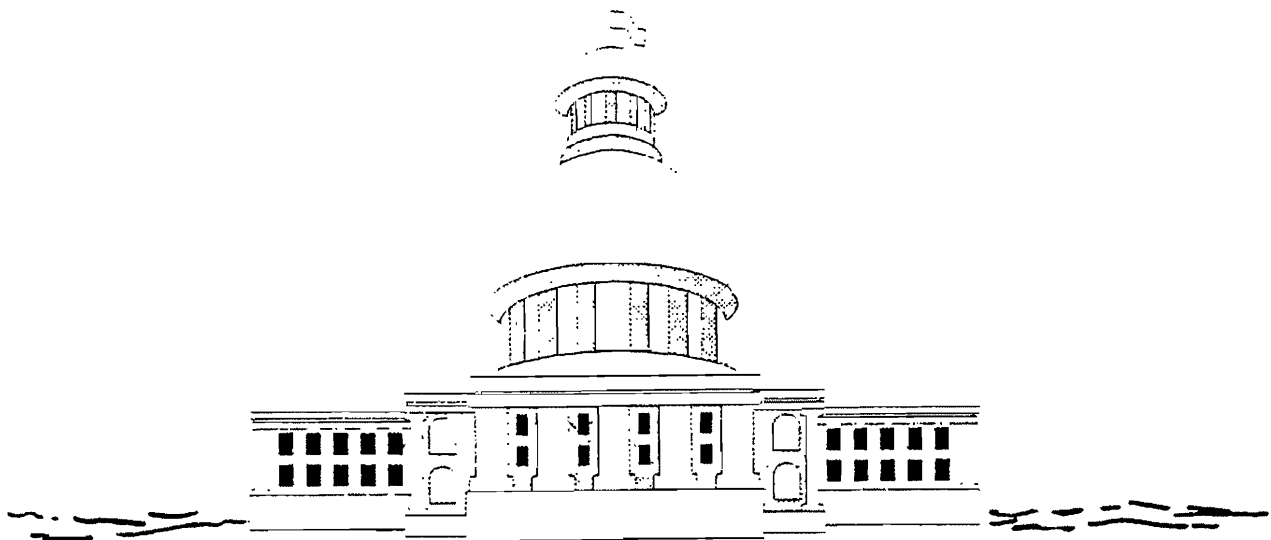
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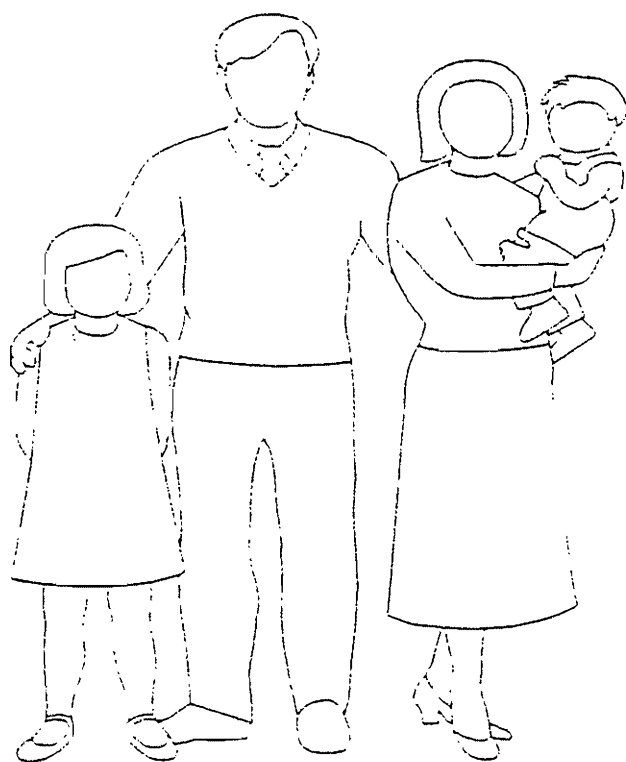
Introduction

The public assistance system has created a permanent underclass in Rhode Island and the Nation. The very system which was designed to help the economically disadvantaged get on their feet has created barriers to education and employment that prevents families and individuals from achieving economic independence. What follows is a description of some of these barriers which we hope will shed light on some of the difficulties facing welfare recipients who wish to make it on their own. We hope that this booklet will dispel some of the myths that seem to permeate our policy decisions in the area of welfare reform -- that welfare recipients are unable and unwilling to educate themselves and are unable to earn a living wage.

In addition to the many problems and the emotional stress of relying on public assistance, low-income adults face a barrage of difficulties which would confound even the most resourceful tax-payer. Finding a safe residence, feeding one's children, accessing good medical care, finding quality childcare, completing an educational program and seeking gainful employment are concerns to all of us, but to an adult on public assistance these everyday concerns are overwhelming because they lack the finances and find the public assistance system complex.

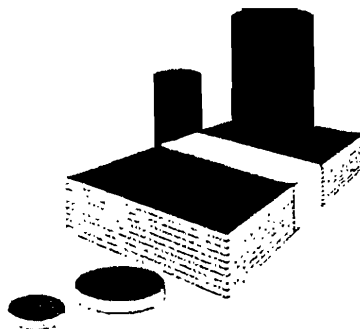
We all know that without some form of intervention, these adults will spend the rest of their lives on public assistance and there is a great likelihood that their children will continue in this mode. On the other hand, we know that adults who succeed guarantee the success of their children and the generational cycle of poverty and educational disadvantage is broken. Preventing generational poverty makes good economic sense and benefits all Rhode Island citizens.





Facts on Poverty in Rhode Island

- In Rhode Island, the average length of time that a family is on AFDC is 2.5 to 3 years. The average size of an AFDC family is 2.8 persons.
- Roughly 39,100 Rhode Island households depend on income maintenance programs currently. These 39,100 cases translate into 62,037 individuals considered poor by federal standards.
- The monthly AFDC and Food Stamp support for 3 persons in Rhode Island in July 1990 was \$731 or \$8772 per year.
- In 1989, the Rhode Island Department of Human Services, operating on a budget of \$615 million, served an average monthly caseload of 82,374 persons in need.
- In February 1991, 52,950 Rhode Island residents received Aid to Families with Dependent Children (AFDC) subsidies and 16,189 residents received food stamps. The families receiving this income were overwhelmingly households headed by a single female.
- An approximate count of the working poor is about 48,441 persons.
- Contrary to popular belief, most families receiving AFDC subsidies contain a small number of children. Of all AFDC families in Rhode Island in 1989, 45 percent had only one child and 24 percent had only two children.
- More than 20 percent of Rhode Island's children under the age of one and almost 20 percent under the age of six live in poverty.
- In Rhode Island in 1988, the average yearly cost to parents for daycare was \$5,500 for infants, \$4,800 for school-age children and \$3,750 for pre-school children. For a single mother earning less than \$15,000, the infant fee alone represents more than 36 percent of her annual salary.
- Federal rent subsidies (section 8) in Rhode Island in 1988 totaled 20,301 cases and Public Housing 9,996 cases.





WHY WORK ?

When AFDC recipients go to work for entry level wages they usually lose most or all of their

- cash payment,
- child care subsidy,
- medical assistance,
- food stamps, and
- rent subsidy.

They have new expenses for

- child care,
- medical coverage.
- car or bus, and,
- work clothing.



In addition single working parents have these pressures;

- they have to miss work to stay home with sick children;
- they are constantly arranging for backup child care;
- they worry about losing their jobs when backup plans fail; their car needs constant repair (when they were on AFDC it couldn't be worth more than \$1,500 without reduction of benefits);
- if they don't have a car they must spend hours each day bussing their kids and themselves, and
- by the end of the day parents and children have little time for being a family.

In most cases this makes them poorer and more emotionally drained than when they were on welfare.

- Their incentive to work is diminished,
- the stability of the family is threatened, and
- hope for staying off welfare dwindles.



Recommendations for Action

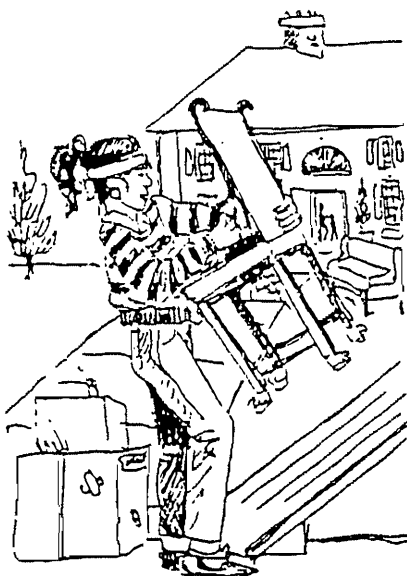
The solution is better paying jobs that include advancement potential and that provide medical coverage that includes children. The vast majority of welfare recipients want to work and can prepare themselves for suitable jobs if we

- challenge the DHS policy which discourages part-time employment by cutting benefits,
- provide incentives for employers to encourage flextime and job-sharing,
- streamline present legislation regarding employer incentives and on-site and near-site child care,
- support federal legislation to change regulations which presently penalize food-stamp and AFDC recipients who own cars worth more than \$1,500,
- actively support equal opportunity for qualified applicants in all occupational areas,
- establish quotas for women and minorities to be hired in all state or federally funded construction jobs over the next three years,
- change DHS policies to extend child care benefits during the welfare-to-work transition,
- increase the number of rent subsidies,
- restore the pay-in-percentage policy for utility bills,
- change DHS policies to allow the working poor to make more money without losing their housing subsidy and other benefits.

Housing Barriers

The availability of affordable rental property in Rhode Island has declined significantly in recent years. It is now almost nonexistent.

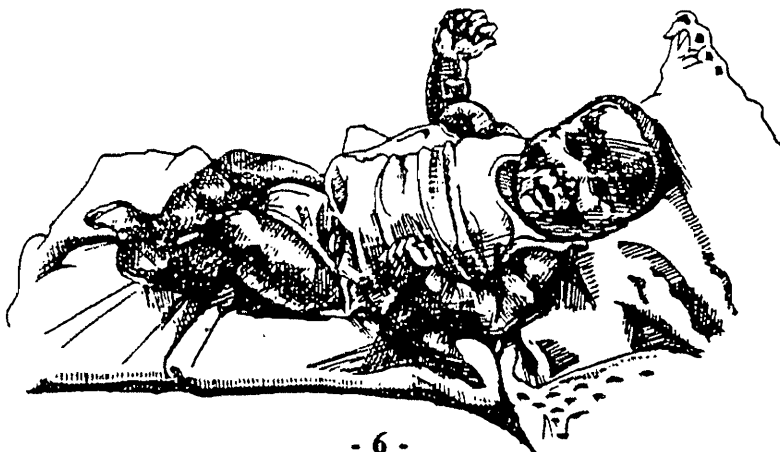
- According to HUD, the fair market rent in R.I. in 1989 was \$559 per month. This is more than a mother and two children receive in their entire monthly AFDC check.
- Waiting lists for subsidized housing units are extremely long. Most families must wait at least five years for housing.
- Families who do manage to get subsidized housing often find themselves living in substandard, crime infested conditions, plagued by concerns for the safety and health of themselves and their children.
- Many families will not complain about the condition of housing because they fear eviction and other forms of retaliation from their landlords.
- Regulations governing subsidized housing eligibility often act as disincentives to obtaining employment. Salaries have not kept up with living expenses. Many families find that they cannot afford unsubsidized rent, medical expenses, day care, transportation and also provide adequately for their families.
- Many adults fear that failure in the workforce could result in a loss of eligibility for subsidized housing. Because of this fear, these adults usually do not enter the workforce at all.



Childcare Barriers

One of the most challenging aspects of maintaining a family these days is access to quality day care. For welfare recipients, affordable reliable day care is particularly difficult.

- The Department of Human Services (DHS) is the designated child care agency, charged with administering the low-income child care subsidy program in Rhode Island. Policies and procedures combined with staff shortages have placed overwhelming constraints on the ability of low-income families to provide their children with quality day care. Many low-income adults will forego employment to stay home and take care of their children rather than put their child in a poor quality or an unstable child care environment.
- The DHS system of payment to child care vendors is to reimburse them for services provided to low-income families. The reimbursable amount is well below market value for quality care and precludes many vendors from being able to service low-income families.
- Reimbursement payments to vendors are often late. Sometimes vendors respond to this situation by further reducing the number of day care slots available to low-income families.
- The licensing process for child care vendors is complicated and extremely slow.
- Childcare for infants and toddlers is extremely rare and thus very expensive.
- Transportation for children from home to child care centers and from school to after-school care is very limited and very costly.
- Families are forced in many instances to seek multiple child care providers, complicating transportation arrangements and compromising time spent at a job or educational activity.



Barriers to Education

A good education is a necessity for earning a living wage in Rhode Island today. Eighty-two percent of today's jobs require completion of at least four years of high school: by the year 2000, 30 percent of all jobs will require a college degree and some graduate work. In many cases it is not enough for an individual to get through high school. In today's economy economic stability comes from education and training beyond high school. Obtaining the necessary training and job skills is very difficult for low-income adults and is often not an option.

- The coordination of financial aid for postsecondary education with welfare payments is complex and incompatible. Food Stamp program policy, for instance does not always consider student financial aid exclusionary income. To be excludable income, financial aid must be specifically earmarked for tuition, mandatory fees and books. If the financial aid can cover room and board expenses, the aid can be considered unearned income and can be used to lower the food stamp subsidy to the student and their family. Most student financial aid is earmarked for both tuition and living expenses. When faced with a choice between education and feeding one's children, the choice is clear.
- Many students have defaulted on student loans from previous postsecondary participation. Under current regulations, students with unpaid loans are not allowed to receive any additional financial aid until they have paid the defaulted loan. AFDC benefits are not sufficient to cover loan payments.
- Financial aid and AFDC benefits do not cover the hidden costs of postsecondary education programs such as activity fees and transportation to and from internship and other off-campus events.
- DHS requires that education personnel verify the attendance of the welfare recipient. This sets the AFDC recipient apart from fellow students. Most college personnel are unfamiliar with this requirement and are hesitant to sign these official looking forms. In many cases there are no systems in place within postsecondary institutions for the verification of attendance.
- Low-income students face the prevailing belief that their economic condition is due to a lack of initiative and ability. Often these students are steered away from challenging academic programs which would prepare them for gainful employment.

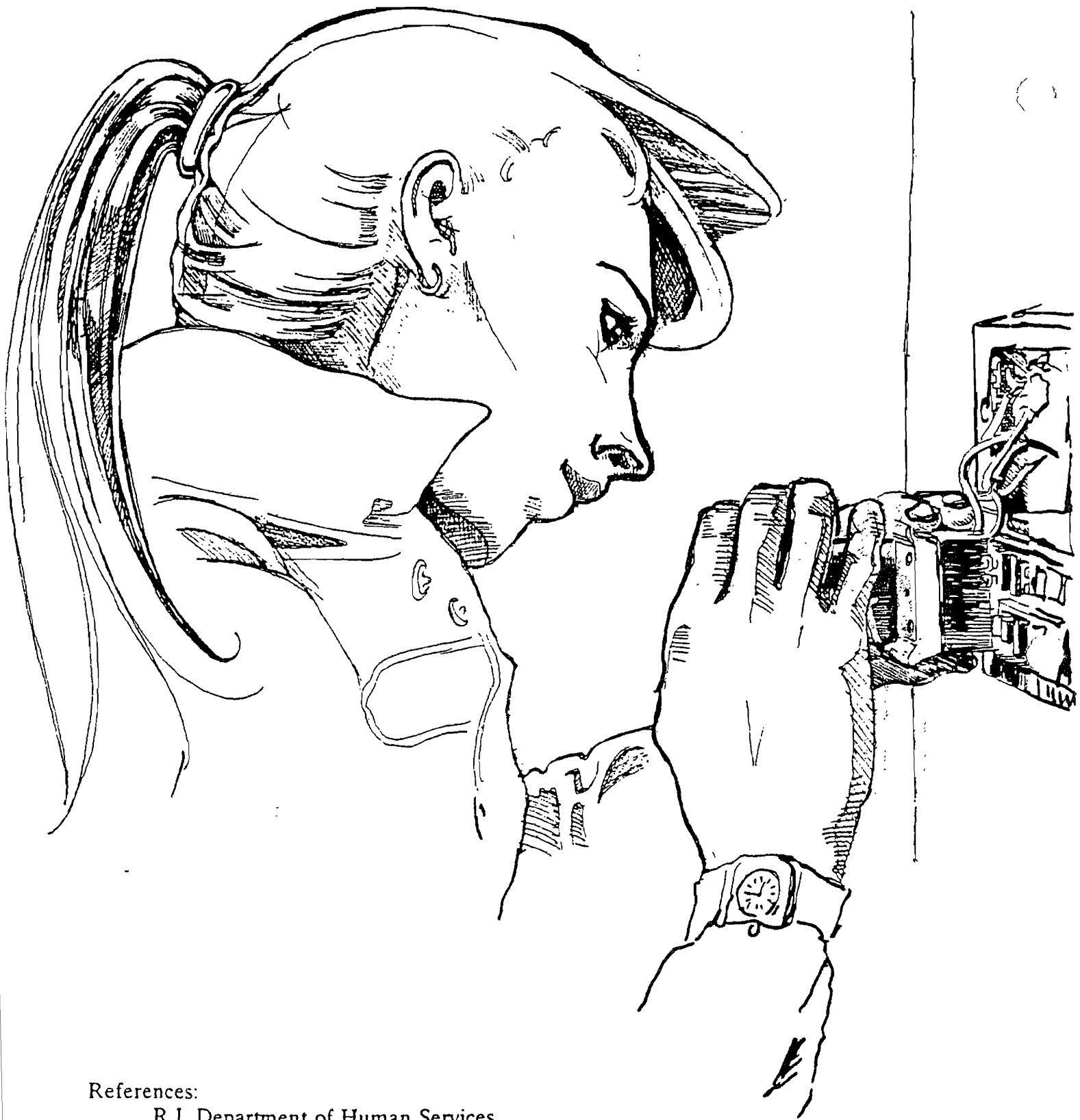


Transportation Barriers

Reliable transportation is key to obtaining and keeping a job. Most low-income adults who are trying to make the transition from welfare to work find this one of the most challenging aspects of seeking gainful employment.

- Under current policy, AFDC recipients may not own a vehicle which is valued at more than \$1500.00. Such transportation is usually not reliable. Furthermore, many residents do not have the money for other transportation expenses such as increased repairs and maintenance, insurance, taxes and fees.
- A welfare recipient who is enrolled in an education and training program or is out looking for a job is reimbursed at a rate of up to \$3.00 per day for transportation costs. This translates roughly into two gallons of gasoline per day. Three dollars per day is often less than the cost of round-trip public transportation.
- Lack of reliable transportation makes it extremely difficult to access educational facilities, child care centers and or job sites. The extra money which welfare recipients need to get from place-to-place is not available from their meager personal funds.





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